

# Chapter 13

## Social Networking Sites and Marketing Strategies

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### ABSTRACT

*This chapter begins with an introduction to social networking. The opportunities and challenges of social network sites regarding marketing strategies are discussed and these provide a foundation for exploring viral marketing with regard to the development of online word-of-mouth activities on social networking sites. This chapter explores strategies for successful viral marketing and investigates strategic perspectives of social networking. We look into several types of social networking sites available for consumers to share and access information and experience such as Facebook and Twitter in the context of marketing strategy decision-making. The chapter concludes with an examination of the online marketing mix regarding social network marketing strategy development and a case study (Fiesta Movement Campaign) and methodology is also included to 'bridge the gap' between the academic theory in this chapter and an example showing how marketers in the industry have taken advantage of social networking sites to promote their business.*

### INTRODUCTION

Social networking sites have been big news for a while now. The popularity of social networking sites is increasing worldwide; marketers have been facing opportunities and challenges to develop

strategies to apply this media as a channel to reach customers and potential customers alike. The success of a series of viral marketing campaigns has prompted a number of companies to engage in viral marketing on social networking websites such as Facebook and Twitter. Furthermore, nowa-

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days few if any marketing plans can be completed without a blending of the E-Marketing mix into the traditional mix to create an effective marketing strategy. The objectives of this chapter are:

- Evaluate the relevance of social networking sites to marketing.
- Identify the advantages and challenges of social networking sites to marketing.
- Identify the key differences between social networks marketing and traditional marketing.
- Identify the factors a company should consider for developing social networks marketing strategy.
- Relate viral marketing strategies to major social networking sites such as Facebook and Twitter.
- Apply marketing mix in the context of social networks marketing.
- Review Strategic Perspectives of Social Networking Sites.

## **BACKGROUND**

A social networking site is a Web-based service for users to construct a public or private profile and to connect with other users for exchange of content and communication. Social network sites provide individuals platforms to construct a public or semi-public profile within a bounded system. People are able to connect with groups of other users whom they share a connection, and to view and visit their own list of virtual connections and those made by other individuals within the system. Social networking sites are significant because there is ongoing interaction between consumers and the community, and they facilitate low-cost communications that are asynchronous, interactive and instant

The first recognizable social network service website was launched in 1997, named SixDegrees.com. The name is based on the theory associ-

ated with actor Kevin Bacon that no person is separated by more than six degrees from another. SixDegrees.com allowed users to create profiles, list their Friends and, beginning in 1998, surf their Friends lists. In some form, each of these features existed before SixDegrees, for sure. For example, Profiles existed on most major dating sites and a lot of community sites. AIM and ICQ buddy lists supported lists of Friends, although those Friends were not visible to others. Classmates.com allowed people to affiliate with their high school or college and surf the network for others who were also affiliated, but users could not create profiles or list Friends until years later. CompuServe allowed members to share files and access news and events. But it also offered something few had ever experienced – true interaction. Nevertheless, SixDegrees was the first to combine these features.

At its peak, SixDegrees employed about 100 employees, and around 3,500,000 individuals had fully registered as its members. A tool to assist people to connect with and send messages to others is what SixDegrees promoted itself as. Although SixDegrees attracted millions of users, it failed to become a sustainable business. As a matter of fact, the service closed in 2000. Regarding the failure, its founder gives his opinion that SixDegrees was simply ahead of its time. While people were already flocking to the Internet, most did not have extended networks of friends who were online. There were complaints from early adopters that they had almost nothing to do after accepting Friend requests, and the majority of the users were not very interested in meeting people they did not know in their lives.

Nevertheless, the 2000s saw the explosive growth of social networks. Currently, Facebook is the most popular social networking site. Facebook is a social networking site allowing its users to create their own profiles, upload photos and videos, send messages to people and stay connected with friends, family and so on. Facebook was founded by Mark Zuckerberg with his college roommates

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